

1 December 1954

MEMORANDUM FOR: Chief, E/C
Attn: Mrs. Dorothy Jacquelin

25X1A9a FROM :

SUBJECT : EDIC/Export Control Section Report for November 1954

25X1B Summary - At its November meeting, the Economic Defense Intelligence Committee considered several pending problems in the field of intelligence support for economic defense. Included were: intelligence on Soviet procurement of copper wire and indium, and Soviet offers of petroleum to the West; adequacy of intelligence to meet MDAC requirements; and, procedures for transmittal of economic defense intelligence (other than enforcement) to action agencies. The EDIC Secretariat produced and distributed four information documents and the Executive Secretary held conversations with representatives of the Office of Secretary of Defense, IR/CD, and DD/P.

25X1A6a Substantive EDIC Problems - At the November meeting, the EDIC reviewed JOC requirements for intelligence regarding Soviet bloc requirements and procurement of copper wire. Such information is needed by the USDEL in COMCOM for use in negotiating the Federal Republic proposal that certain types of copper wire be placed again under embargo. Although this matter is still before JOC and the several action and intelligence agencies, it was agreed that EDIC action would consist of a review of an OIR paper on West European exports of copper wire and cable to the Soviet bloc. Considerable confusion and delay in production of supporting intelligence to JOC on this item points up the need for a clarification of support channels between CIA and Commerce, with particular reference to use of EDIC facilities.

Exploratory action was taken by the responsible E/C analyst in connection with the FOA/MDAC request for an intelligence study on Soviet bloc and Western European production and uses of indium. This preliminary search disclosed that there was a paucity of information on the subject within CIA and that further effort would be contingent upon AFOIN success in providing useful data. Regarding the paper on Soviet bloc petroleum exports (emphasizing the trade tactics aspect) which had been requested earlier by MDAC, the OIR member reported that an OIR intelligence report of July 1954 is being brought up-to-date for EDIC review. A member of ERA has contributed to this revision.

25X1B The EDIC again extensively explored the manner in which the various agencies, particularly ONI and CIA, share responsibility for providing MDAC with [REDACTED] data. A CIA representative explained his Agency's role, indicating that although the problem of using available intelligence is largely solved, it would be desirable for MDAC, EDS, CIA and ONI to mesh more closely their respective operations in exploiting this information. Implementation of earlier (1953) EIC Transportation Subcommittee proposals on collection of [REDACTED] intelligence 25X1B on the Soviet bloc was suggested as a method of obtaining better [REDACTED] intelligence. No specific assignments were made to EDIC on this general subject.

25X1B The problem of whether action agencies normally receive economic defense intelligence (other than enforcement) from all the intelligence agencies was carefully reviewed. It was agreed that adequate procedures exist for transmittal of enforcement intelligence through the DCN mechanism. The problem before EDIC was that of determining how effective and timely

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is the distribution of other current economic defense intelligence and of whether the needs of action agencies have been adequately expressed to intelligence agencies. Several fallacious assumptions on the part of members as to CIA responsibility for passing on information received from the military intelligence agencies were challenged. It was finally concluded that distribution of intelligence from CIA and State to action agencies was already being adequately handled, and that representatives from MDAO, Commerce and FDS/State should check the adequacy of their respective agency requirements for information from the military services. (Note: at a subsequent meeting, the Commerce member declined to concur in the statement of adequacy of CIA distribution of intelligence).

Activities of Executive Secretary - Apart from his participation in the various EDIC problems described in the foregoing, the Executive Secretary joined ~~representatives~~ with representatives of Industrial Register, QCD in discussing the respective areas of IR and D/E responsibility for intelligence on traders and trading operations. He participated also in a group D/E presentation to the Clandestine Services Review Group on "The Functions of the Economic Defense Division," and conferred with a representative of [REDACTED] on problems of mutual interest in the field of intelligence support for economic defense operations. Several discussions were held with members of the DD/P area regarding the possibility of EDIC action to foster adoption of higher priority for collection of East-West trade intelligence. Finally, the Executive Secretary met with a Commerce representative to explore measures of clarifying intelligence support channels between CIA and Commerce.

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Activities of Export Control Section - Outside requests for documentary references and/or other information averaged five per working day during November, and included GOCOM, CHINGOM, EDAO, and Executive Committee material. 685 EXCON cables were scanned and marked for file and a complete index of all files was prepared. Considerable progress was made by the Section in establishing a numerical card index of all GOCOM documents available to the Division. This index, now three-quarters completed, should prove of value in quickly locating GOCOM references. The installation of a thermo-fax machine in Room 200 should also facilitate the reference work of the Section.

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